



SOLUTION
DE CYBER-SÉCURITÉ
ET DE GOUVERNANCE
DES ACCÈS AU SYSTÈME
D'INFORMATION



WALLIX
TRACE, AUDIT & TRUST

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FIRST HALF 2019 LIKE-FOR-LIKE REVENUES SURGE AMBITION 21 STRATEGIC PLAN ROLL-OUT STEPS UP PACE

- 35% YEAR-ON-YEAR REVENUE GROWTH
- SHARP GROWTH IN FRANCE RESUMES, ONGOING EXPANSION ABROAD
- TWO HIGHLY PROMISING ONLINE TECH ACQUISITIONS UNDER THE 2021 STRATEGIC PLAN
- €32M NET CASH AND A NEW €3M CREDIT LINE
- NEW FORBES FUTUR40 PRIZE

WALLIX GROUP (ALLIX: FR0010131409 - Euronext Growth), a software company providing cybersecurity solutions and the European specialist in privileged account governance, reports H1 2019 revenue.

Audited results, €000	H1 2018	H1 2019	Change
Consolidated revenue	5,425	7,328	+35%
France	3,635	4,837	+33%
International	1,790	2,491	+39%

WALLIX Group Management Board Chairman Jean-Noël de Galzain said: "First half 2019 featured a resumption in superfast growth that better reflects our potential and goals. We continued to attract large volumes of new public sector and middle-market business including 211 new customers. Meanwhile, we tapped into our new relations with big public sector and corporate customers resulting in major broad-scope contracts, with a view to meeting demand for PAM solutions that have become a must-have. We managed to resume surging revenue growth in France while maintaining expansion abroad and rapidly improving our business mix. So, H1 2019, Group revenues are larger, more recurring and more international than ever.



Meanwhile, we continue to actively invest in our people and in developing new services. We completed two acquisitions strictly in keeping with our Ambition 21 roadmap: acquire new tech know-how for the future, expand offering to PAM-related markets and step up growth abroad. Trustelem, which comes with a ground-breaking cloud-based ID management solution in service mode, and Simarks offering state-of-the-art malware protection, fully meet Ambition 21's criteria. The Simarks deal also provides an opening into Spanish speaking markets. As such, we approach the future full of ambition driven by stronger growth potential."

SUSTAINED PACE OF GROWTH

€000	H1 2018	H1 2019	Change
Licenses	3,105	4,211	+36%
Maintenance & services	2,321	3,117	+34%
Consolidated revenue	5,426	7,328	+35%

WALLIX reported a big leap in first half 2019 revenues, which came in up 35% at €7.3 million following a jump in new customers from 750+ at December 31, 2018 to just under 1,000 at June 30, 2019. First half 2019 even edged up 2% compared to second half 2018 despite the company's traditional seasonal revenue fluctuations. Growth was relatively even between license sales (up 36%) and Maintenance & Services (up 34%). The share of recurring revenues, including maintenance and subscription revenues, amounted to 40% in first half 2019, up from 38% in first half 2018.

France returned to soaring volume growth with revenues up 33% at €4.8 million. International revenues continued to soar - up 39%, to €2.5 million and a 34% share of Group revenues.

- France:** growth was underpinned by key accounts where the company picked up new contracts and orders from 2018 blanket contracts. This trend, which partly arose from big firms streamlining cyber sourcing, generated €3.2 million in H1 2019 sales of which just under half came from blanket contracts. WALLIX continued to build business volumes with sensitive industries like aerospace and defense including new prestigious customers. The company also became UAF certified confirming the French military's use of the company's Bastion system.
- International:** WALLIX capitalized on recent expenditure, which included opening a new Munich office to oversee business in the DACH/Eastern region that underpins the company's revenue growth. Meanwhile the company shored up its network of business partners in target markets by signing up Germany-based Infinigate, UK-based e92plus and Africa/Middle East-based Comguard. These new distributors are expected to boost growth in the future.

AMBITION 21 PLAN STEPPED UP

At the same time as this big sales push, the company continued to invest with a view to maintaining booming growth so that it can achieve the Ambition 21 goals and become a top-class cybersecurity software producer operating worldwide. The company was active in hiring new staff over the period with Group headcount increasing from 94 at June 30, 2018, to 127 at December 31, 2018 and 145 at June 30,



2019. Recruits mostly had international sales or R&D backgrounds. Group R&D was strengthened by opening a second center in Rennes, which develops cutting-edge cloud-based cybersecurity services (CBSS¹). The center's staff are working on further trust-based solutions in addition to the PAM WALLIX Bastion access security offering so as to broaden the company's scope of ID, access and data protection security expertise. The company will be boosted by the Rennes high-tech community, which is leading the way in cyberdefense.

NET CASH OF €32 MILLION AT JUNE 30, 2019

As of June 30, 2019 WALLIX held €32 million net cash, down from €35 million at December 31, 2018. Given the capital expenditure over the period this reduction in cash is low and bears out how cash outgoings are tightly controlled so that the company can pursue an ambitious acquisition-driven growth policy while striving to achieve a double digit operating income margin by the plan's end.

In July 2019, the Company contracted a €3 million 5-year bank loan in order to enhance its balance sheet sources of funds, take advantage of low interest terms and shore up its capacity to seize M&A opportunities under Ambition 2021.

AN EVEN BETTER OFFERING AFTER ACQUIRING TWO PROMISING TECH FIRMS

During an already event-packed half year, the Company completed two acquisitions early July, which will considerably boost the Company's entire offering and is fully in keeping with Ambition 2021's goals, as follows:

- French startup **Trustelem** has developed Identity as a Service (IDaaS) technology that is remarkably user-friendly and very cheap to operate. Customers have already begun to adopt this solution, which will let the Company take on one of the most booming IAM markets close to PAM², seeking to let mid-size firms and remote multinationals' subsidiaries access this type of solution;
- Spanish firm **Simarks** has developed a PEDM³ product that gives all Company users access to PAM security features, the Company's core business, while also protecting workstations, which are often primary cyberattack targets, from malware. Simarks will also boost the Company's market share in Spain and hence in Latin America too.

The above two firms were purchased entirely for cash for a combined price of €2.3 million (€1 million + €1.3 million) and will be consolidated in the Group accounts as from July 1, 2019.

NEW FORBES FUTUR40 PRIZE

WALLIX Group was selected for the third year in a row to win the Futur40 prize awarded to the fastest growing French firms. Futur40, which was created by Forbes France in partnership with PMEfinance-EuropeEntrepreneurs, an association of Finance Française Paris Europlace and Fédération des Investisseurs Individuels and Clubs d'investissements (F2iC), rewards the 40 SMEs (excluding financial services and real estate), listed on Euronext Paris and eligible for personal equity plans, which have posted the highest revenue growth rates over the last three fiscal years.

¹ Reference: Cloud Based Security Services

² Identity Asset Management

³ Privileged Elevation and Delegation Management



Jean-Noël de Galzain said: "We are extremely proud to be nominated for the third year in a row among the 40 prizewinners who are the fastest growing French firms. This testifies to our capacity to maintain a very rapid pace of growth and represent the cybersecurity industry at a top level to investors, while being a big spur for all our people to carry on and achieve best results."

Next publication: H1 2019 earnings, October 16, 2019

ABOUT WALLIX

A software company providing cyber security solutions, WALLIX Group is a European specialist in privileged account governance. In response to recent regulatory change (NIS/GDPR in Europe and OVIs in France) and the cyber security threats affecting all companies today, Bastion helps users protect their critical IT assets: data, servers, terminals and connected objects. It is the first market solution to have been awarded first-level security certification (CSPN) by France's National Cybersecurity Agency (ANSSI) and thus meet all of the criteria for regulatory compliance

WALLIX accompanies more than 770 companies and organizations on a day-to-day basis. Its solutions are marketed through a network of more than 160 resellers and trained and accredited integrators. Listed on Euronext under the code ALLIX, WALLIX Group is a leader on the PAM market with a strong presence throughout Europe and EMEA. Alain Afflelou, Dassault Aviation, Gulf Air, Maroc Telecom, McDonald's, Michelin, and PSA Peugeot-Citroën trust WALLIX to secure their information systems.

WALLIX Bastion was a winner at the 2016 Computing Security Awards and has been rated Best Buy by SC Magazine, as well as being named among the PAM leaders in the Product and Innovation categories of the KuppingerCole 2017 Leadership Compass report. The company is a member of Bpifrance Excellence, a champion of the Pôle Systematic Paris Region cluster and a founding member of the Hexatrust grouping of cyber security companies. In 2017, WALLIX Group was included in Forbes France's Futur40 ranking of fastest-growing listed companies.

For more information, visit the WALLIX website at: www.wallix.com

ACTUS finance & communication

Investor Relations

Théo Martin

Tel. +33 (0)1 53 67 36 75 / wallix@actus.fr

Financial Press Relations

Nicolas Bouchez

Tel. +33 (0)1 53 67 36 74 / nbouchez@actus.fr

WALLIX

Edwige BROSSARD

Tel. +33 (0)1 81 70 16 03 / ebrossard@wallix.com